

Resolution No.: 17-883
Introduced: September 10, 2013
Adopted: September 24, 2013

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #14-359 to the FY14 Operating Budget
Montgomery County Government
Department of Economic Development
Economic Development Fund Grant and Loan Program \$1,500,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive, who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY14 Operating Budget appropriation increases for the Economic Development Fund:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$1,500,000		\$1,500,000	General Fund: Undesignated Reserve

3. This increase is needed because the County intends to offer a financial incentive of \$1,500,000. Based on Bill 14-12, the County Executive must not provide assistance to a private employer valued at more than \$500,000 unless the grant or loan is approved by the Council in a special or supplemental appropriation.

Sodexo, Inc. ("Sodexo"), with its U.S. headquarters located in Gaithersburg, Maryland, is the leading provider of integrated food and facilities management services in the U.S., Canada, and Mexico. Sodexo operates in 80 countries and has over 413,000 employees worldwide. The company offers all manner of on-site services to corporate, government, defense and academic clients.

The company's lease at 9801 Washingtonian Blvd is up for renewal in 2013. After considering other locations, Sodexo decided to maintain its U.S. headquarters in Gaithersburg. To keep the company, the State of Maryland agreed to provide a \$2 million conditional loan through its Maryland Economic Development Assistance Authority and Fund. Montgomery County will provide a grant of \$1.5 million, and the City of Gaithersburg has agreed to provide \$500,000 from its Economic Opportunities Fund. In return, Sodexo has committed to remain in Gaithersburg for 10 years (FY24) and is expected to add 50 jobs over the next three years.

4. The County Executive recommends a supplemental appropriation to the FY14 Operating Budget in the amount of \$1,500,000 for Sodexo, Inc., and the source of funds will be specified as General Fund: Undesignated Reserve.
5. Notice of public hearing was given, and a public hearing was held.

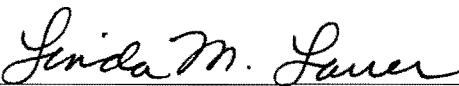
Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY14 Operating Budget for Economic Development Fund is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$1,500,000		\$1,500,000	General Fund: Undesignated Reserve

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council